

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Thursday.
- CAB has raised cotton export estimate to 80 lakh bales from 70 lakh bales earlier projected. Cotton imports were also rising; against the earlier estimate of 12 lakh bales, these were now expected to stand at 20 lakh bales.
- Cotton demand is likely to be lack luster due to rising arrivals and normal demand, however prices are supported by the buying by exporters.
- Central Institute for Cotton Research has developed new variety of cotton which has highest known fiber strength. Cotton units generally use cotton having fiber strength over 17g/Tex. CICR cotton type has strength of 29g/Tex, the highest known so far in American cotton. It will be another three years that variety is put into trail in field.

Cotton International Fundamentals

- Cotton prices are likely to increase in February and March due to demand for exports mainly from China, Bangladesh and Indonesia.
- US Cotton future jump to 7 months high as speculations bet of robust demand from China from February and March.
- Egypt has agreed to export 1978 metric tons of cotton ended on Jan 17, 2013. The country has shipped 33,115 tons of the fiber, valued at \$95.1 million, since Sept. 1 2012. India is top importer of Egyptian cotton.

Outlook: We expect domestic cotton prices to continue steady to weak tone on rising arrivals and normal demand.

NCDEX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	6	850.00	860.00	850.00	860.00
Apr-13	7.5	900	910	899	908.50

MCX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	4.2	882.6	890.1	882.6	888.3
Apr-13	7.3	906	913.8	904.5	913

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	2	35	0
Apr-13	4496	-169	12712	-169

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	221	-72	1088	14
Apr-13	746	-60	1484	8

Spread

Feb-13

Apr-13

Basis

60

Feb-13

38.5

April-13

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Spread

Feb-13

Apr-13

Basis

-18.3

Feb-13

24.7

April-13

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
31-Jan-13	0.31	16320	16390	16290	16350
28-Feb-13	0.6	16580	16690	16570	16660
29-Mar-13	0.71	16870	16980	16870	16960
30-Apr-13	0.76	17180	17460	17180	17280
31-May-13	0.75	17570	17570	17570	17570

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	24-01-2013	23-01-2013	
Amravati-Vunni Mech-1#	4000	4000	Unch
Kadi-Bt Cotton#	4250	4225	25
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4270	4255	15
Rajkot-(B.T)	4275	4225	50
Abohar-J-34*	3575	3570	5
Muktsar-J-34 *(Cotton)	3575	3570	5
#(Kapas BT Cotton)	4200	4200	Unch
Fajlika #(Cotton New)	3550	3540	10
#(Kapas BT Cotton)	4250	4240	10
Khandwa-(M.P)	4050	4070	-20
Khargaon-(M.P)	4050	4070	-20
Sri-Ganganagar	3500	3510	-10

*-Rs/maund, #-Rs.qtl,

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	24-01-2013	23-01-2013	
Amravati -Vunni Mech-1#	5000	6000	-1000
Kadi -Bt Cotton	55000	55000	Unch
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	1962	2250	-288
Rajkot-(B.T)	6400	400	6000
Abohar-J-34*	1200	1200	Unch
Muktsar-J-34 *(Cotton)	500	500	Unch
#(Kapas BT Cotton)	-	-	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	1800	1800	Unch
Khandwa (M.P)	4100	4500	-400
Khargaon-(M.P)	10000	12000	-2000
Sri-Ganganagar	7000	7000	Unch

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 23/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/01/2013)	Rs. Per Candy (22/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	34200	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	34700	-500
J-34(202)	26mm	3.5 - 4.9	23	32800	32600	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34100	34100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 23/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	87.50	+1.35

China Cotton Index: As on 24/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19289	-2
CCIndex(527)	16916	-7
CCIndex(229)	20042	-5

RMB - Renminbi, 1RMB = 0.16 U.S.

USDA Cotton Spot Rates: As on 23/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.23	80.48	7658
North Delta	76.48	78.98	NIL
South Delta	76.48	78.98	NIL
East TX-OK	72.5	76	3698
West Texas	72.5	75.75	12492
Desert SW	74.98	81.48	NIL
SJ Valley	75.73	86.38	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

ICE Cotton Futures (Prices in cents/lb.): As on 23/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	79.9	80.51	78.94	80.48	0.55
13-May	80	80.71	79.28	80.67	0.59
13-Jul	80.11	80.5	79.5	80.44	0.24
13-Oct	79.5	79.79	79.5	79.79	-0.16
13-Dec	79.88	79.99	79.1	79.77	-0.15
14-Mar	80.89	80.89	80.69	80.69	-0.24

Pakistan Cotton Spot rates: As on 23/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	155	6155
Equivalent	40 Kgs	6430	155	6585

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